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NEWS RELEASE

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Mortgage Company Manager Pleads Guilty to Fraud

Investors were told their money was guaranteed to earn 20%, but they lost \$40,000 ...

SALT LAKE CITY, Utah – Robert Michael Fain, of Cottonwood Heights, pleaded guilty today to second degree securities fraud for his role in fraudulently taking money from investors through a mortgage company he managed and through Real-Prints, Inc., an inkless fingerprint business he owned.

According to the criminal pleadings, Fain and others illegally took \$55,000 in investments from three members of a family. The promoters claimed the money would be used to place kiosks in shopping malls to generate leads for mortgage loans and loan refinancing. The investors were sold notes promising 20% interest and were told the investment was guaranteed and had no risk.

According to the charges, investors were solicited to invest in American Mortgage Alliance (AMA) and were told the company would generate a profit. When one investor said he did not have money to invest, one of the defendants arranged a second mortgage on the investor's home. The investor was later encouraged to increase the line of credit on his home loan and give more money to the company. His parents also were encouraged to invest. One family member was later convinced to invest an additional \$15,000 in Real-Prints, an inkless fingerprinting business, as a means of recouping her losses on the mortgage investment.

Investors in these companies were not told about Fain's background, including a 1996 criminal conviction for securities fraud, a prior bankruptcy, and unpaid judgments entered against him. He also had been ordered to pay \$308,850 in restitution in the criminal case.

These criminal charges were filed by the Utah Attorney General on May 10, 2007 against Fain and two others who took money from investors, Daron W. LeBlanc, of Orem, and Antonius (Tony) M. Versteeg, of Sandy. The criminal cases are continuing against LeBlanc and Versteeg.

The investors received \$15,630 in partial payments on their investments, leaving \$39,370 still owed. The court will sentence Fain on this conviction on October 26, 2007.

Separately, the Utah Division of Securities filed administrative charges against the companies and the officers. Default orders were entered against American Mortgage Alliance, Inc. and National Mortgage Alliance, LLC.